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ABSTRACT

Based on the assumption that economic security is fundamental to children's well-being, this guide outlines the National Commission on Children's recommendations for making income security of families a national priority for the 1990s and indicates how the recommendations can be implemented. The Commission's income security package comprises six elements: (1) creation of a $1,000 refundable tax credit for all children through age 18 and elimination of the personal exemption for children to partially offset the costs; (2) provision of the Earned Income Tax Credit as an incentive for low-income parents to enter the paid work force; (3) establishment of a national demonstration project to design and test a plan that will enhance child support enforcement and create a government-insured minimum benefit when absent parents do not meet their support obligations; (4) provision of essential transitional supports and services to aid families moving from welfare to work; (5) provision of community employment opportunities to poor parents who are willing and able to work but unable to find a job; and (6) reorientation of the Aid to Families with Dependent Children (AFDC) as short-term income support for families experiencing unemployment, disability, or other economic hardship. This guide discusses ways to implement the first five elements of the package, assuming that the last goal will result from effective implementation of these elements. (AC)

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Ensuring Income Security

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NATIONAL COMMISSION ON CHILDREN

2

NEXT STEPS FOR CHILDREN AND FAMILIES

Ensuring Income Security

The National Commission on Children was established by Public Law 100-203 "to serve as a forum on behalf of the children of the nation." It is a bipartisan body whose 34 members were appointed by the President, the President Pro Tempore of the U.S. Senate, and the Speaker of the U.S. House of Representatives. As required by law, the Commission reports to the President; to the Committees on Finance and on Labor and Human Resources of the Senate; and to the Committees on Ways and Means, Education and Labor, and Energy and Commerce of the House of Representatives.

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Letter from the Chairman

Dear Friends and Colleagues,

The bipartisan National Commission on Children was established by the President and the Congress to "serve as a forum on behalf of the children of the Nation." The Commission's 34 members come from many walks of life and represent an array of viewpoints, professional affiliations, and political perspectives.

The Commission has approached its work with a sense of great urgency. All of us believe strongly that the nation cannot sit idly by while many children move toward adulthood without the support they need to become skilled workers, responsible citizens, and caring members of their families and communities.

In June 1991 the Commission presented its final report, *Beyond Rhetoric: A New American Agenda for Children and Families*, to the President and congressional leadership. The report presented the bold outline of a new national policy in which children and their families are a top priority. To ensure that all children have an opportunity to become healthy, literate, and productive adults, we urged the nation to take decisive steps to ensure income security, improve children's health and educational achievement, support and strengthen families, and create a culture of individual and collective responsibility for the well-being of America's youngest citizens.

The Commission's recommendations have generated strong interest and support from many quarters. Yet time and again, public officials, private citizens, and members of advocacy, business, community, and professional groups have asked for more specific guidance on how they can help turn these proposals into action. Accordingly, the Commission decided to move its recommendations forward by convening a series of working groups in 1992 to identify implementation strategies and to assign responsibility to individuals and organizations within and outside of government who must help get the job done.

The working groups were chaired by Commission members and included an array of federal, state, and local officials; scholars; practitioners; and representatives of advocacy, business, and community groups. Separate groups identified strategies to implement the Commission's recommendations on ensuring income security, improving health, increasing educational achievement, strengthening and supporting families, protecting vulnerable children and their families, and making programs and policies work.

Drawing on the working group discussions, we developed a series of implementation guides that offer practical advice to policymakers, program directors, community activists, corporate leaders, and private citizens. This monograph, *Next Steps for Children and Families: Ensuring Income Security*, is part of that series. Barbara B. Blum, Allan C. Carlson, and A. Sidney Johnson, III, members of the National Commission on Children, ably and graciously served as cochairs of the working group on ensuring income security (a list of the working group members appears in the Appendix).

The Commission's recommendations are the product of several years of careful study and honest, open debate. Our members put aside partisan differences to form a consensus in every area except health and approved the Commission's final report unanimously. I believe that the implementation strategies outlined in this guide are consistent with both the spirit and the letter of our recommendations. Although members of the Commission and the working group had a significant hand in shaping this document, they have not been asked to vote on specific language.

My own view is that poverty and economic instability are taking a dreadful toll on children and their families. Children are the big economic losers of the past decade. They are the poorest Americans and have been since the mid-1970s. Today, one in five American children is poor. Many of these children are poor despite the fact that at least one of their parents is working. Middle-class families are hurting as well. Since the mid-1970s, wages have stagnated, while the costs of housing, feeding, and clothing children, purchasing health care, and paying college tuition have all skyrocketed. At the same time, the tax burden on working families with children has grown from 14 percent of family income in 1960 to almost 25 percent today.

If our goal is to make all families strong, stable, and self-reliant, we must build a system that encourages all families to be part of the economic and social mainstream. The Commission's income security plan does just that by stressing the values of work, family, and independence. I hope the nation will act now on the ideas to ensure income security outlined in this guide.

John D. Rockefeller IV
Chairman

Introduction

Economic security is fundamental to children's well-being. Children need material support to have a better chance to grow up healthy, succeed in school, and become caring and capable adults.

Yet too many families lack the resources to give children a good start in life. Children are the poorest age group in our society and many of these children are consigned to a future of persistent deprivation. A wide range of families—single-parent and two-parent, low-income and middle-class—are under growing economic pressure. Wage growth in the United States has stagnated for two decades and income inequality has increased.

Accordingly, the National Commission on Children calls on the nation to make the income security of families with children a high national priority during the 1990s. This guide outlines the Commission's income security recommendations and shows how they can be implemented. Our plan offers support to all families with children and reinforces the value of work and commitment to family. Individuals and groups at every level—federal, state, and local, public as well as private—will have to help build the support and commit the time, money, and energy needed for this plan to become reality.

The Commission's income security package includes the following six elements[1]:

• Create a $1,000 refundable tax credit for all children through age 18 and eliminate the personal exemption for children to partially offset the costs;

• Provide the Earned Income Tax Credit (EITC) as an incentive for low-income parents to enter the paid work force and strive for economic independence;

• Establish a national demonstration to design and test a child support plan that will enhance child support enforcement and create a government-insured minimum benefit when absent parents do not meet their support obligations. Contingent on positive findings from this demonstration, the Commission recommends the establishment of this insured child support benefit in every state;

• Provide essential transitional supports and services to aid families moving from welfare to work;

• Offer community employment opportunities to poor parents who are willing and able to work but unable to find a job on their own; and

• Reorient Aid to Families with Dependent Children (AFDC) as short-term income support for families experiencing unemployment, disability, or other economic hardship.

This guide discusses ways to implement the first five elements of the Commission's income security package. The last goal—to reorient welfare as short-term income support—will result from the effective implementation of the first five recommendations.

Create a $1,000 Tax Credit for Every Child

Recommendation

The National Commission on Children recommends the creation of a $1,000 refundable tax credit for all children through age 18 and the elimination of the personal exemption for dependent children to partially offset the costs.

Implementation Steps

- Congress and the President should enact a $1,000 refundable tax credit available for all children through age 18.

- The Internal Revenue Service (IRS) should revise the tax forms and issue regulations to explain how people may claim the credit. Families should be able to receive the credit as part of their annual tax return or in smaller payments during the year, and a special form should be created so that families without tax liability can claim the credit.

• The Secretary of the Treasury and the Commissioner of the IRS should coordinate a public information campaign about the child credit. Local governments, employers, and community groups would complement the federal effort with more targeted outreach.

Discussion

The Commission recommends the creation of a $1,000 refundable tax credit for every child to provide a universal benefit to families with children and thereby recognize the importance of children to society. The child credit represents an investment in children's health and development, as well as in the nation's future strength and productivity.

The House Ways and Means Committee and the Senate Finance Committee should include the $1,000 refundable tax credit as part of future tax legislation. Both houses of Congress should pass the legislation and the President should sign it into law. The legislation should index the credit to the inflation rate and repeal the current tax exemption for dependent children.

Taxpayers could file for the child credit on their annual tax return. If the child credit exceeds a family's tax liability, the IRS would refund the difference. For children living apart from one or both parents, the caretaker who housed the child for the greater part of the year would claim the credit.

In addition, **the IRS would develop an advance payment system for families who prefer to receive the credit**

throughout the year instead of in a lump sum. The fixed value of the credit per child should facilitate such a system. To receive advance payments, families would file a child tax credit eligibility certificate either with the IRS or with their employer. Families filing with the IRS would receive direct quarterly payments of $250 per child. Families filing with their employer would receive the money with their paychecks. Advance payments would be reported on a family's annual tax return.

Special procedures for claiming the child credit would be needed for families not required to file a tax return. **The IRS would create a special one-page form for nonfilers to claim the child credit.** The form would be similar to the child tax credit eligibility certificate used to request advance payments. The IRS would distribute the form to post offices, Social Security and welfare offices, schools, day care centers, motor vehicle offices, and social service and community groups so that parents could obtain it easily. Because this new benefit might encourage false claims, **the IRS would also have to set up a special audit unit to prevent fraud**.

A concerted education effort would be needed to make sure that all families with children claim the credit. **The Secretary of the Treasury and the Commissioner of the IRS would implement a taxpayer awareness program, in consultation with the Secretary of Health and Human Services.** This program would explain the rules governing the credit, including its refundability, and explain how families can file for the money.

Local organizations that are respected in their communities would help amplify and target material from a national information campaign, particularly to families not in the tax system. Such organizations might include

local governments, labor unions, employer associations, advocacy groups, churches, schools, and private foundations. Local education efforts should reflect the economic base, ethnic composition, and social networks in a community. Groups promoting the child credit should aggressively seek media coverage and offer information in a number of formats, such as press conferences, public service announcements and news releases.

Employers and labor unions should also help inform people about the child credit. Employer groups and unions that represent industries with many low-wage workers, such as hotel, restaurant, and janitorial services, might reach families who do not file tax returns. Local chambers of commerce might aid in publicity efforts because the credit would bring money into the local economy. Telephone and utility companies, which serve a large share of the population, could include fliers about the child credit in their monthly bills.

Finally, **social service agencies that work closely with low-income families should also participate in the outreach campaign.** State and local welfare agencies could mail information about the child credit to families receiving AFDC, Food Stamps, and Medicaid, as well as help families file claims. Day care, preschool education, and prenatal care providers could also publicize the child credit.[2]

Use the Earned Income Tax Credit to Promote Self-Sufficiency

Recommendation

The National Commission on Children strongly endorses the Earned Income Tax Credit (EITC) as an incentive for low-income workers with children to enter the paid work force and strive for economic independence.

Implementation Steps

- Congress and the President should enact legislation to increase the family size adjustment in the EITC.

- Congress and the President should also simplify the EITC so that low-income families with children will receive the benefit. In particular, Congress and the President should repeal the "interaction rules" that apply to the infant credit and the health insurance credit.

• The IRS and community groups should intensify their efforts to educate families about the EITC and coordinate outreach about the EITC and a child credit.

Discussion

The EITC has enjoyed broad bipartisan support because it provides tax relief to low-income working families with children who file a federal tax return. Almost one in five poor families with children is headed by an adult who works full time throughout the year. More than half of poor families with children are headed by an adult who works at least part of the year.[3] Because the credit is based on earnings and is refundable, the EITC targets assistance to families who are trying to escape poverty through their own effort.

In 1991, 11.4 million families were expected to claim $8.3 billion in EITC benefits.[4] Currently, the EITC is available to families with earnings less than $22,370.

In the Omnibus Budget Reconciliation Act of 1990 (OBRA 1990), the assistance provided through the EITC more than doubled. In 1994, when the changes are fully phased in, the basic credit tied to a family's earnings will be 23 percent of earnings for one child (up from 14 percent) and 25 percent for two or more children. Before the OBRA 1990, there was no such adjustment for family size. The EITC was also modified in the OBRA 1990 to include an additional 6 percent credit for the cost of health insurance that covers a dependent child and an additional 5 percent credit for families with a child under age one.

The Commission endorses the recent expansion of the EITC and also recommends that the credit "should be further adjusted . . . to provide additional support to families with three or more children."[5] **Congress and the President should enact a separate credit rate for families with three or more children.** Senator John D. Rockefeller IV, Chairman of the National Commission on Children, introduced legislation in the 102nd Congress to create a 29 percent credit rate for families with three or more children.[6] A prime reason to expand the EITC family size adjustment in this way is that 60 percent of working poor families have three or more children.[7]

In addition to expanding the EITC, the OBRA 1990 changes made the program quite complex. Because few low-income families can hire commercial tax preparers, many eligible families may not know how to file for the EITC or to compute the benefits.

The OBRA 1990 created links—called "interaction rules"—between the new credits and other items in the tax code. Taxpayers claiming the infant credit cannot also claim the Dependent Care Tax Credit or the tax exclusion for employer-subsidized day care for the same child. Taxpayers claiming the health insurance credit cannot use the same expenses toward a medical expense deduction or a health insurance deduction for the self-employed. Families must determine if they qualify for any of these provisions and calculate and compare their tax liability under each option to choose the most advantageous tax benefit.

The interaction rules are likely to hinder eligible families from claiming the EITC, with little gain to the general population. The Department of the Treasury estimates that only 500,000 EITC recipients (4 percent) would

qualify for the infant credit or the health insurance credit, and any of the related subsidies in the tax code. As a result, repeal of the interaction rules would cost only $24 million a year. This repeal could be funded through an .05 point reduction in the basic earned income credit.[8]

Congress and the President should repeal the interaction rules and should also consider eliminating the infant and health insurance credits to simplify the EITC and maximize participation. Money saved by repealing the new credits could help pay for an increased family size adjustment.

Many families may not know that they are eligible for the EITC, particularly if they do not owe any taxes. One estimate is that one-quarter of eligible families failed to claim the EITC in 1988.[9]

Fortunately, in recent years the IRS and advocacy, social service, labor, and employer groups have stepped up their efforts to inform people about the EITC. These efforts must continue.

Nationally, the Center on Budget and Policy Priorities coordinates an Earned Income Credit Campaign involving more than 50 groups as diverse as the Amalgamated Clothing and Textile Workers Union, the Farmworkers' Justice Fund, and the United Way of America. This coalition provides fliers, information kits, sample news releases, and other forms of technical assistance to local groups. Similarly, the National Women's Law Center provides posters, fliers, and fact sheets about the EITC to child care providers and advocacy groups for women and children.

Local groups should use the resources of these national campaigns to launch more intensive education efforts. These efforts should be coordinated with outreach for the child credit and follow the principles listed in the

previous section. Below are some examples of community partnerships to publicize the EITC.

The Congress For a Working America, the Greater Milwaukee Committee, and the Community Relations-Social Development Commission formed the Milwaukee Earned Income Credit Campaign. The group sent almost 5,000 letters and brochures to area employers, sponsored advertisements in English and Spanish on 100 city buses, and distributed a "Credit Where Credit Is Due" leaflet in convenient neighborhood sites. The local electric and gas companies mailed customers information about the EITC, while the state welfare department targeted families who had recently left the welfare rolls. The Milwaukee campaign sponsors report that a major effort to publicize the EITC can be implemented with less than $40,000 and one or two full-time staff.[10]

In Denver, the Mile High United Way and the Piton Foundation joined forces to publicize the EITC in a campaign including social service providers, employers, and the mass media. The group worked with the IRS' Volunteer Income Tax Assistance Centers to help families file for the EITC and also used the United Way's ties to employers to educate workers about the EITC. Drawing heavily on in-kind contributions, the project cost less than $8,000 during the first year and absorbed 250 hours of staff time.[11]

In San Antonio, the Partnership for Hope coordinated an EITC education effort that included the city government, local chambers of commerce and other business associations, media outlets, and nonprofit organizations. The group launched its campaign with a press conference featuring the mayor, printed 500,000 check inserts about the EITC for use by employers, and created an EITC Speakers' Bureau to educate employers, journalists, and individuals about the credit.[12]

Implement Child Support Enforcement and Insurance

Recommendation

The National Commission on Children recommends that a demonstration of suitable scale be designed and implemented to test an insured child support plan that would combine enhanced child support enforcement with a government-insured benefit when absent parents do not meet their obligations. Contingent on positive results from this demonstration, the Commission recommends establishment of the insured child support benefit in every state.

Implementation Steps

- Public officials at every level should aggressively implement the child support provisions of the Family Support Act of 1988 (FSA). Advocacy groups should carefully monitor the implementation of the FSA.

- State and local governments should increase information about child support and its benefits, while publicizing the penalties associated with failing to pay support.

- State and local governments should simplify paternity establishment. One of the most promising methods to promote paternity establishment is by allowing unwed fathers to acknowledge paternity voluntarily in the hospital when their child is born.

- State and local governments should adopt reforms to improve interstate child support enforcement. All states should extend "full faith and credit" to the child support orders of other states.

- State and local governments should replace expensive and cumbersome judicial procedures for child support enforcement with administrative processes whenever possible. Judicial review should be reserved for difficult or contested cases.

- Congress and the President should enact legislation authorizing a three-year demonstration of child support enforcement and insurance in four to six states. The Department of Health and Human Services would report to the Congress and the President on the results of the demonstration after its conclusion.

Discussion

One of every two children born today will spend some time in a single-parent family,[13] and is, therefore, at increased risk of being poor. If family structure had remained unchanged since 1960, only 14 percent of chil-

dren would have been poor in 1988, instead of 20 percent.[14] In 1991, 47 percent of female-headed families with children were poor, compared with only 8 percent of families with both a mother and father.[15]

Although child support should protect children not living with both parents, only 58 percent of women eligible for child support had a support order in 1989.[16] Only half of the women due to receive payments were paid in full; one-quarter received partial payments, and one-quarter received nothing.[17]

The Commission strongly believes that both parents must contribute to the economic well-being of their children, whether or not parents live together. To uphold this principle, the Commission recommends a system of child support enforcement and insurance containing the following major elements:

- the identification of both parents' Social Security numbers at the birth of a child;

- the determination of child support payments based on uniform state guidelines;

- the collection of child support payments through automatic wage withholding; and

- the provision of a government-insured minimum child support benefit when absent parents do not pay their full obligated amount.

The first three elements were part of the FSA, which made stronger child support enforcement a cornerstone of welfare policy. The insured benefit is the major new element in the Commission's child support package. A custodial parent would be guaranteed $1,500 annually

for the first child, $1,000 for the second child, and $500 for each additional child under the Commission's plan.

The minimum benefit would help prevent children from falling into poverty and give single mothers a reliable source of income to add to their own earnings and become self-sufficient. Child support insurance would also strengthen child support enforcement. As a condition of receiving this insurance, mothers would have to cooperate with the child support agency in identifying the father and securing a support order.

One estimate is that the child support enforcement and insurance program endorsed by the Commission might yield an 8 to 9 percent reduction in the poverty rate among single-parent families and a 12 to 20 percent reduction in welfare benefits.[18] The Commission calls for a demonstration of child support insurance to verify the promise of such a program, which has never been implemented in the United States.[19]

The Commission also supports more general measures to make child support more routine and effective, while removing the overtone of stigma and punishment from the collection process. In particular, the Commission advocates a "transition from a child support system that is primarily judicial to one that is primarily administrative."[20]

Monitor the Implementation of the FSA

The implementation of the FSA is particularly important because the law mandates far-reaching changes to improve child support enforcement which will be phased in through 1995. Because state, county, and city governments administer child support, monitoring of the FSA at the state and local level will be critical. In

addition, the federal Office of Child Support Enforcement must carefully audit and report on state performance in enforcing child support, as required by the FSA.

Children Now, an advocacy group in California, offers a model for groups monitoring the implementation of the FSA. The organization issued a "white paper" documenting the performance of the child support system in California and offering recommendations for improvement. For example, Children Now reported that California ranks 49th of 51 jurisdictions in the average amount of a child support order.[21] The group also showed that in 1990 a payment was recorded in only 39 percent of the cases handled by county district attorneys (who oversee child support in California)—a decrease from 44 percent in 1987.[22] Furthermore, the white paper provided data on child support enforcement in each county.

Research units of state and local human services agencies, legislative committees, and community groups should develop similar child support "report cards." These report cards should include a wide range of information, including the share of children born out of wedlock who have a paternity determination, the share of custodial parents with a support order, the average amount of a support order, the share of cases subject to automatic wage withholding, and the enforcement of interstate cases.

Educate People About the Importance of Child Support

State and local governments should also go beyond the mandate of the FSA in streamlining child support enforcement. Since 1979, the number of families eligible for support grew from 7.1 million to 10 million—a 39

percent increase.[23] The volume of cases threatens to overwhelm the child support system unless it becomes more efficient.

The complexity of child support enforcement only compounds the challenge facing enforcement agencies. Enforcement may require steps to locate the father, blood tests and court hearings to determine paternity, more hearings to set a support order, and measures (such as wage withholding, imposition of liens, asset seizure) to collect support. Both parents, the welfare office, the local child support office, the local prosecutor, an out-of-state child support agency, and an employer must cooperate for enforcement to work.

As a first step in streamlining child support enforcement, child support agencies and social service groups should try to educate parents about the benefits of support. While one parent gains income, the other may gain visitation rights. Most importantly, the child benefits by knowing both parents, by gaining access to Social Security, health, workers' compensation, and veterans' benefits, and by gaining inheritance rights. If parents know about these benefits, they may be willing to cooperate with the child support agencies—avoiding the lengthy enforcement proceedings that drain the resources of child support agencies.

Many states are already increasing outreach to custodial parents, noncustodial parents, and employers. New Jersey has targeted paternity information in English and Spanish at teenagers. Illinois, West Virginia, and Washington State have created booklets for parents explaining the benefits of child support in the context of paternity establishment.[24] Washington State also educates employers about the benefits of child support enforce-

ment by highlighting the gains for employers (better morale among employees, lower welfare costs and taxes) in a separate booklet.[25]

In addition, **public and private groups should stress that failure to pay child support is a serious offense.** Pointing to the work of Mothers Against Drunk Driving and other groups in changing attitudes about major social problems, some have called for a media campaign to increase the stigma associated with not paying support and to raise awareness about the penalties. The California Office of Child Support Enforcement and the California State University are developing such a public education campaign. Public service announcements will show parents unable to buy a new car, take a dream vacation, or renew a professional license because they have failed to pay child support.

Several states have also moved to increase the penalties for failing to pay support, for example, by reporting delinquent payments to credit bureaus or denying professional license renewals to absent parents who have not paid support. These measures are designed to show how seriously the public views child support.

Simplify Paternity Establishment

Procedural reform is also necessary to make child support enforcement more efficient. A logical place to begin such reform is paternity establishment. More children need a determination of paternity due to the rapid growth in out-of-wedlock births.[26] Families in which the mother had never married made up 30 percent of the population eligible for child support in 1990, up from 19 percent in 1979.[27]

Early intervention by the child support agencies should increase paternity establishment. If years pass before enforcement begins, the father may have lost contact with the family and be difficult to locate. In the past, Washington State has established paternity in 32 percent of the cases for children less than six months old. That percentage drops to 14 percent for four-year-olds.[28]

State and local governments should establish hospital-based programs for the voluntary acknowledgement of paternity. Hospitals offer a convenient site for the earliest possible determination of paternity. The relationship of unmarried parents is often strongest at the time of a child's birth and unwed fathers are increasingly likely to be at the hospital when their child is born. Accordingly, Washington State has implemented a voluntary hospital-based paternity establishment program in 78 of the state's 80 hospitals with full maternity services. Virginia is implementing a similar program of voluntary paternity acknowledgement in 11 hospitals.

Washington State uses a simple one-page paternity affidavit that both parents sign in the presence of a notary public. Hospitals forward the forms to the state's Center for Health Statistics, which sends a copy to the state's Office of Support Enforcement (OSE). Health care providers receive $20 from the OSE for each notarized affidavit. The affidavit creates a rebuttable presumption of paternity that the father is unlikely to contest (in Virginia, by contrast, the affidavit is a legally binding admission of paternity). If OSE matches the affidavit with a child support case, it proposes a child support order consistent with state guidelines. Although the father may challenge the proposed order, it has become the default judgment in 75 percent of the cases.[29]

Hospital-based paternity establishment appears to be effective and feasible on a large scale. Two years after its program began, Washington State is establishing paternity at or near birth for 37 percent of all children born to unmarried parents each year[30] (the national paternity establishment rate is 43 percent for children of all ages). When paternity has been acknowledged in the hospital, Washington State has issued a final support order in a median time of 98 days.[31] This record compares favorably with the federal standard that states should establish an order within a year of scheduling a hearing.

Still, there will be many children whose fathers are not identified at birth. Therefore, **state and local governments should also adopt simple procedures for voluntary acknowledgement of paternity for children of any age.** In Illinois, for example, parents can petition the court for the establishment of paternity and a support order. A court appearance by the parents is not required and all fees are waived. In Massachusetts and Virginia, both parents can appear before a notary public and acknowledge parentage.[32] The U.S. Commission on Interstate Child Support recently recommended that all parentage cases be treated as civil cases and also endorsed the addition of parental signature lines on birth certificates to create a presumption of paternity.[33]

Streamline the Enforcement of Support

One of the major weaknesses in the child support system is interstate enforcement. More than one of every four child support cases involve parents who live in different states. In 1989, only 43 percent of custodial mothers in interstate cases reported receiving support payments regularly, compared with 60 percent of those in intrastate cases.[34]

The U.S. Commission on Interstate Child Support recommended several reforms that states should adopt.[35] First, **all states should extend "full faith and credit" to support orders issued by other states.** This provision requires states to enforce another state's order—whether issued through an administrative process or a judicial process—for past due, current, and future support, without reviewing or modifying the order. Second, **states should agree that the state which initially establishes a support order maintains the authority to modify it** unless both parents move out of that jurisdiction or agree to accept the jurisdiction of another state. These provisions are part of the Uniform Interstate Family Support Act, model state legislation developed by the National Conference of Commissioners on Uniform State Laws in 1992.

More generally, **state and local governments should make child support enforcement more routine and efficient by replacing judicial procedures with administrative procedures.** The administrative approach avoids court backlogs and economizes on the use of attorneys and other expensive personnel.[36] One-third of the states have administrative process statutes that permit the establishment and enforcement of child support orders outside the court system. Hybrid systems of child support enforcement are also common.[37] In many states, court-appointed masters or referees hear cases and issue proposed orders that are ratified by a judge. State and local governments should review their child support systems with the goal of using administrative procedures for routine child support functions, while reserving court involvement for difficult or contested cases.

Test Child Support Insurance

Strengthening enforcement will create the conditions for implementing child support insurance. **Congress and the President should enact legislation providing for a careful test of child support insurance, with the following basic parameters:**

- The demonstration should take place over three years so that there is enough time to establish the program and show results;

- The demonstration should be implemented in four to six states to ensure geographic, economic, and political variation in the test sites; and

- The demonstration should be on a small scale in some areas as well as on a full scale in entire cities, counties, or states.

The Commission also recommends that families have a child support order to qualify for child support insurance and that welfare benefits be reduced by 50 cents for each dollar of child support insurance. The requirement for a support order will ensure that the government pays only when absent parents cannot. The welfare offset will make single-parent families better off when they are self-sufficient, and give families on welfare a tangible benefit for obtaining a child support order and receiving child support insurance.

States participating in the demonstration should have strong enforcement systems. The Commission assumed that states would aggressively implement the FSA to increase private support payments. Because the FSA is still being phased in, child support insurance should be tried in states with superior enforcement to provide a fair

test. Participating states should be above the national median in determining paternity, establishing orders, and collecting support.

Finally, **child support enforcement and insurance must be tested under different administrative structures.** There are two main administrative models for child support insurance: one that relies on the present state-based system and one that would introduce more federal control.[38] It will be impossible to evaluate all aspects of these administrative models in a demonstration project. However, **child support enforcement and insurance should be tested in the following contexts:**

- states with effective automated systems that track and monitor child support cases;

- states with central registries that serve both as collection and disbursement points for child support;

- groups of states with compacts and uniform procedures for the enforcement of interstate cases; and

- states willing to experiment with tax-based enforcement. In such a system, employees would report child support obligations on the Form W-4 to facilitate automatic income withholding. Employers would transfer child support payments to the state tax agency or to the IRS, which would issue child support insurance payments when necessary.

The U.S. Department of Health and Human Services would report to Congress and the President on the impacts of child support enforcement and insurance after the demonstration ends. The following measures would be critical to the evaluation:

- the household income of custodial and noncustodial parents;
- the noneconomic well-being of the children and their parents (including such factors as children's ties to the noncustodial parent);
- the establishment of paternity and child support orders, as well as the collection of support;
- participation in the AFDC program, the average monthly grant received by families on AFDC, and total outlays for AFDC;
- administrative feasibility;
- net cost to the government; and
- family structure.

Help Families Move from Welfare to Work

Recommendation

The Commission strongly endorses the Job Opportunities and Basic Skills (JOBS) program and the provision of transitional supports and services to low-income parents moving from welfare to work.

Implementation Steps

- Public officials at the federal, state, and local levels should increase awareness of the JOBS program and build the support needed for the program to work.

- The U.S. Department of Health and Human Services should relax its rule that welfare recipients must spend an average of 20 hours per week in a work-related activity to be counted as participating in JOBS.

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- States should intensify publicity about the transitional child care (TCC) and Medicaid benefits available to families who leave welfare due to increased earnings.

- States should increase welfare recipients' access to quality child care by integrating their child care programs, ending retrospective payment for TCC services, and increasing reimbursement rates under TCC.

- States should make the FSA a "two-generation" program focusing on child development as well as self-sufficiency for adults by integrating family literacy, parent education, preschool education, and health screenings into the JOBS program.

Discussion

Almost one-quarter of all children and more than half of all minority children born in the early 1970s depended on AFDC, the nation's main welfare program, at some point before they reached 15 years of age.[39] For some of these children, welfare is a way of life. Although many families use welfare for short periods as they recover from a temporary financial crisis, one-quarter of families on welfare will stay in the program for more than 10 years.[40]

Concern about the economic status of single-parent families with children, long-term welfare dependency, and public costs led Congress and the President to enact the FSA, which sought to convert AFDC from a cash assistance program into a transitional program helping people move into the work force. In a new system of mutual

obligation, welfare recipients must seek work or prepare for work through education and training. Government must provide the education and training, as well as supportive services, including child care and transitional Medicaid benefits for families who leave welfare due to increased earnings.

There are some encouraging trends in the implementation of JOBS. States are building the necessary capacity—including case management, education, training, child care, transportation, and management information systems—to mount large-scale JOBS programs. By October 1990, 31 states were already operating JOBS statewide, two years ahead of the deadline.[41] States reported few problems in meeting the 7 percent participation requirement for 1990 and 1991 or in targeting funds to the disadvantaged groups (long-term welfare recipients, young parents without a high school diploma or recent work experience, and families in which the youngest child is within two years of being ineligible for AFDC) specified by law.[42] Welfare case managers, educators, and training providers have collaborated to help welfare recipients become self-sufficient.[43]

Between 1988 and 1991, JOBS led to a fourfold increase, to $1.4 billion, in federal spending on the education, training, and employment of welfare recipients.[44] JOBS has also encouraged states to emphasize more intensive "human capital" development—through education and training, rather than immediate job placement—than previous training programs for welfare recipients.[45] This new approach may be appropriate as jobs with good wages depend increasingly on education and technical skills.

Despite these trends, many observers agree that JOBS is making only marginal changes in the welfare system. The scope of the program has been too small to redefine welfare as transitional support helping people move into the labor force.

The challenge of implementing JOBS will only increase in the future, because states must meet participation targets that rise to 20 percent of the caseload by 1995 (parents with young or sick children or other special circumstances are exempt). Even in the first two years of JOBS implementation, some states, particularly in rural areas, reported shortages of child care, basic and remedial education, and transportation.[46]

Build Support for JOBS

As a first step in bolstering the JOBS program, **elected officials—particularly governors, who are responsible for the implementation of state JOBS programs—and their top appointees should increase public awareness of the program and try to restore its bipartisan support.** Public attention has shifted away from JOBS as states expand their programs. One report concluded that "elected and appointed leaders . . . introduced JOBS with relatively little fanfare" because some states already had welfare-to-work programs and others were facing budget crises as a recession began in 1990.[47] The lack of effort to educate the public about JOBS leaves the program vulnerable because people may not see it as a viable way to reduce welfare dependency.

To restore the consensus behind JOBS, **public officials should**

- **Stress the theme of mutual obligation that drives the program and highlight its achievements**—welfare recipients who are working, training programs that are helping local firms;

- **Seek funding increases as an investment in the state's work force and productivity.** Although states failed to claim half the $1 billion in federal matching funds for JOBS in 1991 because of budget constraints,[48] five states—Alaska, Arkansas, Idaho, New Hampshire, and Wisconsin—used their full allotment of federal matching funds. Between 1991 and 1993, Oregon is planning to spend $17 million on JOBS in excess of the federal cap on matching funds; and

- **Conduct careful long-term evaluations of their JOBS programs to demonstrate tangible impacts.** Since 1987, Washington State has tracked 2,000 households receiving welfare or at risk of receiving welfare. This extensive data base has helped convince legislators that the Family Independence Plan (Washington's JOBS program) is working and deserves their support.[49]

Use Education, Training, Child Care, and Medicaid Funds Efficiently

The JOBS program will only serve a small share of the welfare caseload even in the best economic climate. Federal funding for the program is subject to limits that rise from $600 million in 1989 to $1.3 billion in 1995. Public managers must use these resources efficiently.

To stretch limited resources, **the U.S. Department of Health and Human Services should relax its rule that welfare recipients spend an average of 20 hours per week in a work-related activity to be counted as participating in JOBS.** This rule, intended to make sure that the program is intensive enough to prepare recipients to work, discourages remedial education, postsecondary education, and vocational training, which typically demand 12 to 15 hours per week (time spent studying or preparing assignments does not count toward the 20 hours). Four of five state respondents to a survey said that scheduling recipients to achieve a 20-hour participation average would be difficult.[50] Because education and training cost more than job search, JOBS components emphasizing long-term skill development may be carefully rationed even without the 20-hour rule. A better approach than the current 20-hour standard might be to set separate targets for welfare recipients participating in assessment, job search, education, vocational training, on-the-job training, community work experience, or employment.

States should also improve the quality and expand the supply of child care available to welfare recipients moving into the work force. More than two-thirds of the states responding to a recent survey predicted shortages of child care as JOBS expands. Care for infants and toddlers is in particularly short supply.[51]

One way for states to help meet welfare recipients' needs for child care is by developing resource and referral programs that help families navigate the child care system and find child care providers who reflect their priorities. New Jersey, for example, has created a child care agency in each county which offers referrals and expands the supply of care by offering training and technical assis-

tance. California, Massachusetts, and New York have developed child care resource and referral systems statewide.

States should also intensify their efforts to inform welfare recipients of the TCC benefits provided as part of JOBS and make it easier for families to use TCC. In 1991, only 8 percent of the families leaving welfare due to increased earnings used TCC subsidies.[52] States should make education about TCC an integral part of welfare intake and assign staff from their child care agencies to the welfare office. Another barrier to the use of TCC in many states is a requirement that families apply separately for TCC once they leave welfare. States could institute automatic eligibility for families leaving welfare who can show paycheck stubs or other proof of employment.

Integrated child care services can also benefit families moving from welfare to work. Child care agencies in Maryland, Texas, Ohio, and Fairfax County, Virginia, have merged federal and state child care programs into one system. Ordinarily, families must apply separately for child care services provided through the Social Services Block Grant, the Child Care and Development Block Grant, TCC, and other programs. In the jurisdictions listed above, families fill out only one application. The child care agency identifies the program that can serve a family and charges the services to the appropriate program account. This arrangement helps families keep the same child care provider even if they become ineligible for a given child care program.

States should end the practice of retrospective reimbursement which requires families receiving TCC to pay for care first and then seek reimbursement. Most states use retrospective reimbursement, which may push fami-

lies with little savings back onto welfare, as a way of paying for TCC.[53] Retrospective payment also encourages families to use low-cost, unregulated care.

States should also consider raising reimbursement rates for TCC. Although high-quality child care can cost $350 to $400 per child each month, in 1990 nine states paid only the minimum child care rates allowed under the FSA: $200 per month for children under age 2 and $175 per month for children over 2.[54] In 27 states, child care costs exceeded the amount paid by the states for TCC, and in 26 states low reimbursement rates reduced the supply of care to families receiving child care subsidies under the FSA.[55] Increasing reimbursement rates will be expensive, but the alternative is to put children in low-cost and low-quality care.

JOBS program managers should publicize the transitional Medicaid benefits available under the FSA more aggressively. One study estimated that 16 percent of recipients would leave welfare if they could get private health insurance comparable to Medicaid.[56] Yet many families may not know that they can keep Medicaid for one year after leaving welfare to work. In California, at least half of the families eligible for the more limited transitional Medicaid available before passage of the FSA did not receive those benefits.[57] Without a concerted education effort, this pattern may continue because welfare recipients—who often cycle on and off AFDC—associate leaving welfare with losing Medicaid.

Make JOBS a Two-Generation Program

Finally, **states should try to make JOBS a two-generation program.** The developmental needs of children are often overlooked under the FSA. If states pay more

attention to the needs of children, they can also help their parents establish a more secure foothold in the work force.

Case managers should gather information during client assessments about the parent-child relationship as well as the health and well-being of the children, something not done presently on a large scale.[58] When appropriate, case managers can refer children to preschool programs such as Head Start, to programs for children with disabilities, or to the Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) services funded by Medicaid. For example, Minnesota's JOBS plan requires outreach by the welfare agency to enroll children of JOBS participants in EPSDT.[59]

States should use Head Start as much as possible as a source of care for children whose parents are participating in JOBS or have recently left the welfare rolls. Although states require child care provided through the FSA and other sources to meet only minimum standards of quality and safety, Head Start includes a detailed curriculum; health, nutrition, and other services; and performance standards. Some communities are combining half-day Head Start programs with half-day child care programs funded through the FSA.[60]

Federal and state officials have also linked employment, training, and social service programs for adults with preschool programs for children to help families function better. Head Start is testing the idea of a "Head Start Family Service Center" providing literacy, substance abuse, education, and employment training to Head Start parents in addition to the program's health, education, and nutrition services to children. The Parent and Child Education (PACE) program, part of Kentucky's

JOBS program, helps meet the needs of both parents and children by integrating early childhood education, basic education and literacy training for parents, and joint parent-child activities.[61] **Government at all levels should continue developing programs which combine education and social services to parents and children.**

Offer Community Employment Opportunities

Recommendation

For parents who are able and willing to work but cannot find a job, the National Commission on Children recommends that states and local communities provide employment opportunities where feasible and appropriate. We do not recommend the establishment of a major new federal employment program.

Implementation Steps

- Congress and the President should enact legislation authorizing the Secretaries of Labor and of Health and Human Services to provide waivers allowing states or communities to pool federal employment and training funds to create local work opportunities. Funds from the JOBS program, the Food Stamp Employment and Training program, and the Job Training Partnership Act (JTPA) could be combined in this way.

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Discussion

Even the best education and training programs for welfare recipients will have little impact in areas which are severely depressed economically. To help such communities rebuild and help welfare recipients develop skills so they can get jobs, the Commission recommends that states and communities provide employment opportunities for able-bodied parents.

Community employment programs should be small in scale and stress local control. The government could offer public service jobs directly or provide subsidies to businesses or nonprofit groups to create jobs.

Congress and the President should enact legislation authorizing the Secretaries of Labor and of Health and Human Services to grant a limited number of waivers—no more than 25—to areas meeting criteria for economic distress. These criteria would include the poverty rate, the unemployment rate, and the share of families on welfare.

Communities would apply for the waivers by outlining how the money would be used to train workers and provide products and services needed by the residents. For example, some communities might upgrade infrastructure by having workers repair roads, improve parks, or construct schools. Other communities might improve vital services by assigning workers to assist at nursing homes, child care centers, or schools.

City, county, or state governments could receive waivers if they show that community groups, employers, and local residents had helped develop the plan. Those **communities could then pool funds from JTPA services targeted**

at adults (Title II-A), the JOBS program, and the Food Stamp Employment and Training program to provide jobs for able-bodied welfare recipients who cannot find employment.

The legislation must guarantee that community employment opportunities do not displace or substitute for regular state and municipal jobs. Pay should be set according to local labor market rates for similar activities. Community employment should not simply be a means of working off welfare benefits; rather, it should be used to integrate welfare recipients into the work force.

The following are several models that reflect the Commission's approach to publicly subsidized employment:

• Minnesota's Employment and Economic Development (MEED) program, implemented in the early 1980s. The state Department of Jobs and Training matched firms needing employees with low-income, unemployed workers. Firms received six-month wage subsidies of up to $4 per hour and up to $1 per hour for fringe benefits. In return, firms had to retain employees for one year after the subsidy period, hire a new MEED employee for each worker let go, or repay the subsidy. MEED aided small businesses: 80 percent of hires were by firms with 20 employees or less. Almost 90 percent of employees hired through MEED were working 60 days after the subsidy period ended.[62]

• The Community Works Progress concept proposed recently in federal legislation.[63] This approach would replicate on a small scale the Works Progress Administration created during the 1930s to provide jobs and build roads, bridges, culverts, dams, schools, stadiums, and other structures. Communities would identify local infrastructure or human service needs and deploy work-

ers to perform those tasks, helping them develop skills at the same time.

• Programs based on "sweat equity," such as those pioneered by Habitat for Humanity International. Houses are built or renovated using volunteer labor and donated equipment. Prospective homeowners help build their own home and their mortgage payments are channeled back into the construction of new homes. Not only do communities expand their supply of affordable housing in this way, but residents also gain valuable skills in construction, plumbing, and carpentry.

Conclusion

Poverty and economic insecurity among children threaten the future well-being of our nation. Children will not become healthy, skilled, and caring adults if they do not have adequate food, clothing, and shelter as they grow.

For more than a decade, Americans have engaged in an unproductive debate about who is responsible for the growth in child poverty. Some have stressed the need for individual and family responsibility for the well-being of children; others have called for more generous social welfare policies to ease the economic plight of children.

The Commission's blueprint for income security for America's children and their families goes beyond the rhetoric to stress both individual and collective responsibility for the economic well-being of children. Our plan offers support to all families with children through a $1,000 refundable tax credit for all children. Yet our proposals to expand the EITC, implement child support enforcement and insurance, and provide transitional support to families moving from welfare to work stress parental responsibility and the value of hard work. The Commission's plan addresses the needs of all families: two-parent and single-parent, middle-class and working poor.

Appendix

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Notes

[1] National Commission on Children, *Beyond Rhetoric: A New American Agenda for Children and Families* (Washington, DC: National Commission on Children, 1991), pp. 79-115.

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[3] The National Commission on Children, p. 82.

[4] James Storey, "The Earned Income Tax Credit: A Growing Form of Aid to Children" (Congressional Research Service Report 91-402 EPW, May 3, 1991), p. 17.

[5] National Commission on Children, p. 97.

[6] This legislation, S. 2237, was entitled "The Family Income Security Act of 1992."

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[9] John Karl Scholz, "The Participation Rate of the Earned Income Tax Credit" (University of Wisconsin at Madison, Institute for Research on Poverty Discussion Paper No. 928-90, October 1990), p. 18.

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[13] Irwin Garfinkel and Sara McLanahan, *Single Mothers And Their Children: A New American Dilemma* (Washington, DC: The Urban Institute Press, 1986), p. 1.

[14] Presentation by David Eggebeen, Assistant Professor of Human Development and Family Studies, Pennsylvania State University at a conference on "Welfare Reform on the Family" sponsored by The Urban Institute's Roundtable on Children, June 26, 1992, Washington, DC.

[15] U.S. Bureau of the Census, *Poverty in the United States: 1991*, Current Population Reports, Series P-60, No. 181 (Washington, DC: U.S. Government Printing Office, 1992), p. 6.

[16] U.S. Bureau of the Census, *Child Support and Alimony: 1989*, Current Population Reports Series P-60, No. 173 (Washington, DC: U.S. Government Printing Office, 1991), p. 5.

[17] U.S. Bureau of the Census, *Child Support and Alimony: 1989*, p. 4.

[18] Daniel Meyer, Irwin Garfinkel, Philip Robins, and Donald Oellerich, "The Costs and Effects of a National Child Support Assurance System" (University of Wisconsin-Madison, Institute for Research on Poverty, Discussion Paper 940-91, March 1991), pp. 18-30.

[19] New York State has implemented a modified version of child support insurance called the Child Assistance Program (CAP) that allows families on welfare with child support orders to keep more of their earnings than families without orders. CAP differs from child support insurance in critical ways: CAP is means-tested and does not guarantee a minimum support payment separate from a welfare check.

[20] National Commission on Children, p. 103.

[21] Deborah Ellwood and Wendy Lazarus, "For the Sake of the Children: California's Child Support System — Status and Recommendations for Change" (A Children Now white paper, March 1992), p. 2.

[22] Ellwood and Lazarus, p. 13.

[23] U.S. Bureau of the Census, "Child Support and Alimony: 1989," pp. 1-3.

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[25] See Washington State Department of Social and Health Services, "Employer's Guide, Washington Child Support Laws: Working Together for Our Children" (Publication 22-709X, May 1991).

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[33] U.S. Commission on Interstate Child Support, *Supporting Our Children: A Blueprint for Reform* (Washington, DC: U.S. Government Printing Office, 1992), Chapter 7, pp. 3-6.

[34] U.S. General Accounting Office, *Interstate Child Support: Mothers Report Receiving Less Support From Out-of-State Fathers* (Washington, DC: U.S. General Accounting Office, 1992), pp. 2-3.

[35] U.S. Commission on Interstate Child Support, pp. xxv-xxvi.

[36] Carmen Solomon, "The Child Support Enforcement Program: Policy and Practice," (Congressional Research Service Report 89-659 EPW, December 8, 1989), pp. 40-41.

[37] U.S. Commission on Interstate Child Support, Chapter 14, p. 19.

[38] For descriptions of these models, see Representative Thomas Downey and Representative Henry Hyde, "The Downey/Hyde Child Support Enforcement and Assurance Proposal" (paper available from the Subcommittee on Human Resources, Committee on Ways and Means, U.S. House of Representatives); Ad Hoc Committee to Improve Child Support, "Child Support for Children: Making It Work" (paper issued March 1992); and the U.S. Commission on Interstate Child Support, Chapters 5 and 14.

[39] U.S. House of Representatives, Committee on Ways and Means, *Overview of Entitlement Programs: Background Material and Data on Programs Within the Jurisdiction of the Committee on Ways and Means* (Washington, DC: U.S. Government Printing Office, 1992), p. 688.

[40] David Ellwood, "Targeting 'Would-Be' Long-Term Recipients of AFDC," (report prepared for the U.S. Department of Health and Human Services, January 1986), p. xii.

[41] U.S. General Accounting Office, *Welfare to Work: States Begin JOBS, but Fiscal and Other Problems May Impede Their Progress* (Washington, DC: U.S. General Accounting Office, 1991), p. 8.

[42] U.S. General Accounting Office, *Welfare to Work: States Begin JOBS, but Fiscal and Other Problems May Impede Their Progress*, pp. 24-25.

[43] Jan Hagen and Irene Lurie, *Implementing JOBS: Initial State Choices. Summary Report* (Albany, NY: Nelson A. Rockefeller College of Public Affairs and Policy, State University of New York, 1992), pp. 8-11.

[44] U.S. General Accounting Office, *Welfare to Work: States Begin JOBS, but Fiscal and Other Problems May Impede Progress*, p. 19.

[45] U.S. General Accounting Office, *Welfare to Work: States Begin JOBS, but Fiscal and Other Problems Impede Progress*, p. 27.

[46] U.S. General Accounting Office, *Welfare to Work: States Begin JOBS, but Fiscal and Other Problems Impede Progress*, pp. 31-41.

[47] Hagen and Lurie, p. 5.

[48] U.S. House of Representatives, Committee on Ways and Means, p. 621.

[49] Statement of Representative June Leonard, state of Washington, on behalf of the National Conference of State Legislatures before the Senate Finance Committee, Subcommittee on Social Security and Family Policy, March 30, 1992.

[50] U.S. General Accounting Office, *Welfare to Work: States Begin JOBS, but Fiscal and Other Problems Impede Progress*, p. 36.

[51] U.S. General Accounting Office, *Welfare to Work: States Begin JOBS, but Fiscal and Other Problems Impede Progress*, pp. 31-32.

[52] "AFDC Discontinuances Due to Earnings Increase and Transitional Child Care," table provided by the Center for Law and Social Policy, Washington, DC.

[53] Children's Defense Fund, *Child Care Under the Family Support Act: Early Lessons from the States* (Washington, DC: Children's Defense Fund, 1992), p. 3.

[54] Children's Defense Fund, p. 2.

[55] Children's Defense Fund, p. 2.

[56] This study is cited in David Ellwood and E. Kathleen Adams, "Medicaid Mysteries: Transitional Benefits, Medicaid Coverage, and Welfare Exits" in *Health Care Financing Review* (1990 Annual Supplement), p. 119.

[57] Ellwood and Adams, p. 123.

[58] Hagen and Lurie, p. 13.

[59] Sheila Smith, Susan Blank, and Ray Collins, *Pathways to Self-Sufficiency for Two Generations: Designing Welfare-to-Work Programs That Benefit Children and Strengthen Families* (New York: Foundation for Child Development, 1992), pp. 11-18.

[60] Smith, Blank, and Collins, pp. 18-19.

[61] Smith, Blank, and Collins, pp. 19-20.

[62] Data provided by the Center for Law and Social Policy, Washington, DC.

[63] Two bills were introduced in the 102nd Congress to establish a Community Works Progress Administration which would grant funds to communities to pay unemployed workers to carry out useful public projects. These bills were S. 2343 and H.R. 4591.